

intended, within the 90-day timetable, if it was required to resolve all complaints, regardless of whether they relate to local competition, as a precondition to granting a § 271 application.

7. If CLECA has a legitimate complaint against Michigan Bell regarding a retail issue, the Michigan Telecommunications Act (“MTA”) provides the appropriate vehicle for CLECA to file a formal complaint against Michigan Bell at the Michigan Public Service Commission (“MPSC”).
8. The bottom line is that CLECA’s comments add nothing new or relevant to this § 271 proceeding. Quite simply, CLECA’s comments are wholly misplaced and irrelevant.

TDS METROCOM

FUTURE WHOLESALE BILLING COLLABORATIVE

9. TDS urges this Commission to “help facilitate” a wholesale billing collaborative that would be created under the oversight of the MPSC. TDS reasons that this new collaborative is necessary to prevent “backsliding” on the progress that TDS acknowledges Michigan Bell has already implemented as part of various “Compliance and Improvement Plans.”³ TDS’s request is unnecessary and premature. At a minimum it fails to give the recent MPSC requirements and monitoring that were just recently established a chance to work. Further, there is

³ See Comments of TDS Metrocom at 19-20, Application by SBC Communications Inc., Michigan Bell Telephone Company, and Southwestern Bell Communications Services, Inc. for Provision of In-Region, InterLATA Services in Michigan, WC Docket No. 03-138 (July 2, 2003) (“TDS Metrocom”); Cox affidavit ¶¶ 39-40, Application by SBC Communications Inc., Michigan Bell Telephone Company, and Southwestern Bell Communications Services, Inc. for Provision of In-Region, InterLATA Services in Michigan, WC Docket No. 03-138 (July 2, 2003) (“Cox Affidavit”).

no reason to believe that if an additional collaborative process under MPSC oversight should be created, that it needs to be “facilitated” by this Commission as TDS implies. The MPSC has been an active state commission with a long track record of addressing legitimate wholesale issues, if and when, they arise.

10. First, a new wholesale billing collaborative is unnecessary. As previously commented on, Michigan Bell has already demonstrated that it provides wholesale customers accurate, timely, and auditable bills. BearingPoint has already provided an extensive review of SBC Midwest’s wholesale billing systems, interfaces, processes and procedures in each of the five SBC Midwest states. Consistent with the requirements of the Master Test Plans developed in each state in collaboration with the CLECs, BearingPoint found that SBC Midwest satisfied 100% of the criteria in each test.
11. Subsequent to the withdrawal of Michigan Bell’s application, it made a number of changes and improvements to its billing system, and E&Y has audited and validated that these improvements were successfully implemented.
12. Second, a new collaborative is premature. As TDS itself notes, there is already a wholesale billing performance plan currently in place in Michigan. On this point, the MPSC commented in its July 2, 2003 Supplemental order at 8, that “[Michigan Bell] submitted a wholesale billing performance improvement plan to the MPSC in compliance with the MPSC’s January 13, 2003 order. This plan was approved on March 26, 2003 and requires, among other things, provision of

USOC reference guides and adherence to regional dispute resolution procedures.”⁴

13. Per the requirements of the MPSC plan approved on March 26, 2003, Michigan Bell also files quarterly Bill Auditability and Dispute Resolution Status Reports with the MPSC. The MPSC therefore already has a tool to monitor progress on this precise issue and clearly has the ability to initiate a collaborative if it deems it appropriate.
14. In a similar respect, there is already in place a forum to specifically address what TDS seeks, that is, an SBC Midwest performance measure billing collaborative (as part of the six-month performance measure review process) to address and resolve any CLEC concerns and issues regarding wholesale billing business rules and performance measures. The six-month review process is designed to accommodate evolving CLEC needs and changes (including wholesale billing issues) to existing processes that impact CLECs. Also, the MPSC retains jurisdiction over the performance measures so that it remains actively involved with the ongoing six-month review process.
15. Finally, to the extent TDS is concerned with backsliding, TDS fails to note that performance measurements and remedy plan issues were addressed and resolved by the MPSC through the collaborative process; a process that included the collaboration of numerous CLECs, the State attorney general, MPSC Staff, and

⁴ Supplemental Report of the Michigan Public Service Commission at 8, Application by SBC Communications Inc., Michigan Bell Telephone Company, and Southwestern Bell Communications Services, Inc. for Provision of In-Region, InterLATA Services in Michigan, WC Docket No. 03-138 (July 2, 2003).

Michigan Bell. Also, as previously discussed in Michigan Bell's § 271 filing, the MPSC has already approved Performance Measures. As a result, a performance Remedy Plan (with significant penalty provisions for noncompliance) already provides a strong mechanism to ensure against backsliding.

16. In short, TDS's concerns regarding backsliding are misplaced. Michigan Bell fully intends to fulfill its obligations with regard to the compliance plans. Clearly, there is an elaborate and existing comprehensive process in place in Michigan, with appropriate checks and balances, to ensure against backsliding and to ensure that wholesale customers receive accurate, timely, and auditable bills.

CONTRACT DISPUTE

17. TDS comments on an agreement between Michigan Bell and Climax, in which Michigan Bell agreed to waive early termination penalties set forth in their customers' contracts when customers sought to switch their services to another provider. TDS Metrocom at 18; Cox Affidavit ¶¶ 37-38. TDS subsequently entered into a similar agreement with Michigan Bell. TDS alleges that the existence of these agreements somehow is inconsistent with the § 271 public interest requirements because "SBC has shown disdain for its obligations under the Telecommunications Act." Cox Affidavit ¶ 36. Second, TDS alleges that Michigan Bell is breaching this agreement with TDS, regarding virtually the identical waiver of early termination fees as contained in the agreement between Michigan Bell and Climax.⁵

⁵ TDS Metrocom 18-19; Cox Affidavit ¶¶ 37-38.

18. Similar to the arguments advanced by CLECA, TDS's comments are irrelevant to this § 271 proceeding. Quite simply, TDS attempts to spin into this § 271 docket a retail business contract dispute between itself and Michigan Bell. This issue, along with the agreement between Michigan Bell and Climax, has absolutely nothing to do with wholesale issues, interconnection, or § 271 compliance. Although TDS claims this contract dispute shows "disdain" for the requirements of the 1996 Act, it never alleges how or what provisions of the 1996 Act have been violated. As shown below, that is because the agreement at issue is a retail arrangement, not a wholesale interconnection agreement.
19. Procedurally, on May 13, 2003 TDS filed a complaint and request for emergency relief against Michigan Bell at the MPSC. (Case No. U-13789).⁶ On May 20, 2003, Michigan Bell filed its response in opposition to TDS's request for emergency relief.⁷ On June 9, 2003, an all-day emergency hearing was held before an Administrative Law Judge on TDS's emergency relief request. At the emergency hearing, both TDS and Michigan Bell presented evidence and live testimony of their respective witnesses. Seven days later, on June 16, 2003, the MPSC issued an order denying TDS's request for emergency relief. In its order, the MPSC found that it was not persuaded that exigent circumstances warrant the relief sought by TDS, or that TDS would suffer irreparable harm in its ability to

⁶ TDS sought to have the MPSC take emergency action through the emergency relief order ("ERO") process as delineated in the MTA.

⁷ See, Ex Parte Letter from Geoffrey M. Klineberg, Kellogg, Huber, Hansen, Todd & Evans, P.L.L.C., to Marlene H. Dortch, FCC, WC Docket No. 03-138 (July 17, 2003) ("July 17, 2003 Ex Parte"), Attachment A, Michigan Bell's Response In Opposition To Emergency Relief (May 20, 2003).

serve customers if emergency relief was not granted.⁸ It is disingenuous and somewhat telling that TDS failed to note in its July 2, 2003 comments, or its July 8, 2003 Notice of *Ex Parte* Meeting, that the MPSC denied its emergency relief request.

20. There is currently a contested case hearing scheduled for August 26, 2003 where the remaining issues raised by TDS will be addressed via the normal contested case hearing process. To date, however, TDS's comments are improper and, without question, premature.
21. As to the merits of TDS's comments, it is Michigan Bell's position that the issues and facts in Case No. U-13789 do not support any of TDS's allegations and Michigan Bell is confident that the MPSC, after the contested case hearing and a review of the record, will reject outright TDS's position.
22. As mentioned above, TDS's complaint simply boils down to a contract dispute between TDS and Michigan Bell regarding the scope and terms of a mutual waiver agreement regarding retail services. TDS's comments regarding an alleged secret agreement between Climax and Michigan Bell are nonsense; Michigan Bell and Climax entered into an agreement on January 31, 2002 to mutually waive termination liability in certain retail situations. The agreement provides, in substantial part:

Ameritech Michigan and Climax mutually agree to waive applicable early termination charges in customer contracts for toll or local service when customers served under such contracts switch their local and/or toll service from Ameritech Michigan to Climax or vice versa. Letter from

⁸ See, July 17, 2003 Ex Parte, Attachment B, Michigan Public Service Commission, Order Denying Emergency Relief, Case No. U-13789 (June 16, 2003) denying TDS's request for emergency relief.

William J. Champion III, Dickson Wright, P.L.L.C. to Harvey J. Messing, Loomis, Ewert, Parsley, Davis & Gotting (Jan. 31, 2002).

23. Clearly, the agreement does not have anything to do with interconnection, interconnection rates, or even require the parties to have an interconnection agreement. In its Memorandum Opinion and Order adopted on October 2, 2002 in WC Docket 02-89⁹, the Commission clarified what types of agreements between local exchange carriers constitute “interconnection agreements” and what types do not:

[W]e find that an agreement that creates an ongoing obligation pertaining to resale, number portability, dialing parity, access to rights-of-way, reciprocal compensation, interconnection, unbundled network elements, or collocation is an interconnection agreement that must be filed pursuant to section 252(a)(1).

24. In contrast to an agreement affecting the enumerated interconnection issues referenced above, the Commission determined that other agreements between local exchange carriers are not “interconnection agreements” subject to filing and approval requirements.
25. Because the agreement between Michigan Bell and Climax is not an interconnection agreement as defined by the Commission (i.e., there are no ongoing obligations in the Michigan Bell-Climax agreement pertaining to resale, number portability, dialing parity, access to rights-of-way, reciprocal compensation, interconnection, unbundled network elements, or collocation), Michigan Bell and Climax were not required to file the agreement with the

⁹ Memorandum Opinion and Order, Qwest Communications International Inc. Petition for a Declaratory Ruling on the Scope of the Duty to File and Obtain Prior Approval of Negotiated Contractual Arrangements under 252(a)(1), 17 FCC Rcd 19,337 ¶ 8 (2002).

MPSC. As a note, Michigan Bell and Climax also have a separate Commission-approved interconnection agreement that complies with §§ 251 and 252 of the federal Act.

26. In addition, on January 15, 2003, Michigan Bell issued an Accessible Letter (CLECAM03-008) (Supp. App. H, Tab 1), in which it offered CLECs in Michigan the opportunity to enter into agreements whereby the parties would mutually agree to waive early termination fees in certain situations. The terms contained in the Accessible letter were virtually identical to those contained in the allegedly secret agreement between Michigan Bell and Climax. On January 29, 2003, TDS requested an agreement pursuant to the Accessible letter, and subsequently entered into an agreement with Michigan Bell to waive early termination fees in certain situations.¹⁰ Similar to the Climax agreement referenced above, the agreement between Michigan Bell and TDS was not filed with the MPSC because it was not an interconnection agreement per §§ 251 and 252 of the federal Act. Michigan Bell and TDS also have a separate Commission-approved interconnection agreement that complies with §§ 251 and 252 of the federal Act.
27. TDS's comments regarding its contract dispute with Michigan Bell, and the agreement between Michigan Bell and Climax are baseless and have no relevance to this § 271 proceeding. In short, the agreements in question are simply

¹⁰ To date, approximately 14 CLECs have entered into agreements with Michigan Bell to waive early termination fees in certain situations.

voluntary agreements between retail providers to waive their retail contract rights in certain situations.¹¹

28. Pursuant to Part II. E. of the Consent Decree entered into between SBC Communications Inc. and the Federal Communications Commission, released on May 28, 2002, see Order, In re SBC Communications, Inc., 17 FCC Rcd 10780 (2002), I hereby affirm that I have (1) received the training SBC is obligated to provide to all SBC FCC Representatives; (2) reviewed and understand the SBC Compliance Guidelines; (3) signed an acknowledgment of my training and review and understanding of the Guidelines; and (4) complied with the requirements of the SBC Compliance Guidelines.
29. This concludes my Affidavit.

¹¹ In the state proceeding at the MPSC, TDS complains that Michigan Bell breached the terms of the agreement by failing to waive early termination fees that, presumably, should have been waived under the agreement. This alleged issue in no way relates to a §§ 251 or 252 violation of the federal Act.

STATE OF MICHIGAN

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COUNTY OF INGHAM

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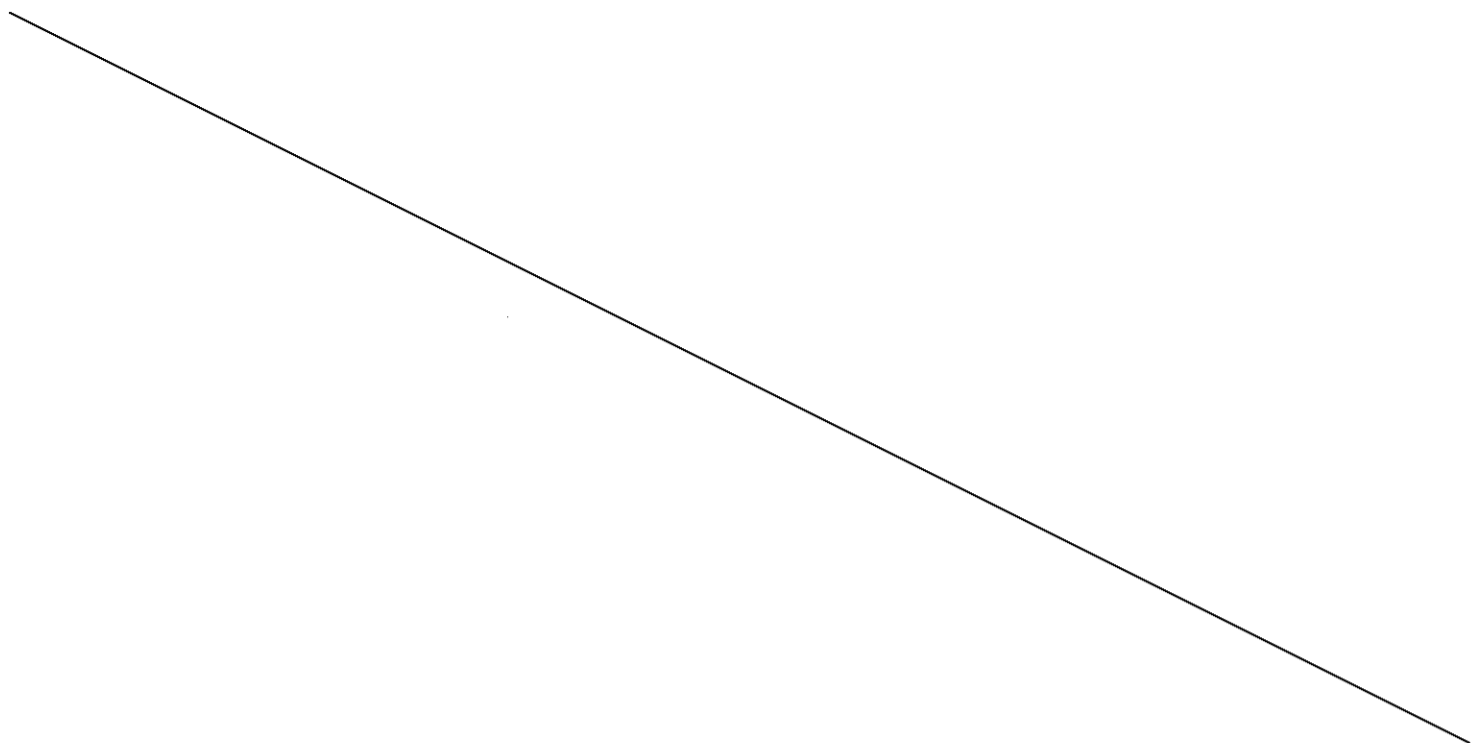
I declare under penalty of perjury that the foregoing is true and correct. Executed on
July 16, 2003.

Robin M. Gleason
Robin M. Gleason

Subscribed and sworn to before me this 16th day of July, 2003.

Beverly Lyon
Notary Public

BEVERLY J. LYON
Notary Public, Ingham County, MI
My Comm. Expires Oct. 28, 2006



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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Application by SBC Communications Inc.,)
Michigan Bell Telephone Company, and) WC Docket No. 03-138
Southwestern Bell Communications Services,)
Inc. for Provision of In-Region, InterLATA)
Services in Michigan)

SUPPLEMENTAL REPLY AFFIDAVIT OF DEBORAH O. HERITAGE

REGARDING THE STATUS OF LOCAL EXCHANGE COMPETITION IN MICHIGAN

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SCHEDULE OF ATTACHMENTS

Attachment A **MPSC Opinion and Order, Case No. U-12928**

Attachment B **Direct Testimony of Scott A. Baldwin, MPSC Case No. U-12928**
(excerpts)

Attachment C **United Telecom, Inc., Articles of Incorporation**

I, DEBORAH O. HERITAGE, being of lawful age and duly sworn upon my oath, do hereby depose and state as follows:

INTRODUCTION

1. My name is Deborah O. Heritage. I am the same Deborah O. Heritage that previously filed a Supplemental Affidavit Regarding the Status of Local Exchange Competition in this Docket on June 19, 2003.¹

PURPOSE OF SUPPLEMENTAL REPLY AFFIDAVIT

2. This Supplemental Reply Affidavit responds to comments filed in this proceeding by Sprint Communications Company L.P. (“Sprint”) and jointly by the Competitive Local Exchange Carrier Association of Michigan, the Small Business Association of Michigan, and the Michigan Consumer Federation (herein “CLECA”) regarding Michigan Bell Telephone Company’s (“Michigan Bell”) Track A showing and the current level of competition in Michigan Bell’s local service area.

TRACK A COMPLIANCE

3. My Initial and Supplemental Affidavits established beyond any doubt that the local market in Michigan Bell’s local service territory is irreversibly open to competition.

¹ See Supplemental Affidavit of Deborah O. Heritage, Application by SBC Communications Inc., Michigan Bell Telephone Company, and Southwestern Bell Communications Services, Inc. for Provision of In-Region, InterLATA Services in Michigan, WC Docket No. 03-138 (FCC filed June 19, 2003) (Supp. App. A, Tab 6) (“Supplemental Affidavit”). My Supplemental Affidavit also incorporated by reference the affidavits I filed in WC Docket 03-16. See Affidavit of Deborah O. Heritage, Application by SBC Communications Inc., Michigan Bell Telephone Company, and Southwestern Bell Communications Services, Inc. for Provision of In-Region, InterLATA Services in Michigan, WC Docket No. 03-16 (FCC filed Jan. 16, 2003) (App. A, Tab 16) (“Initial Affidavit”); Reply Affidavit of Deborah O. Heritage, Application by SBC Communications Inc., Michigan Bell Telephone Company, and Southwestern Bell Communications Services, Inc. for Provision of In-Region, InterLATA Services in Michigan, WC Docket No. 03-16 (FCC filed March 4, 2003) (Reply Appendix, Tab 11) (“Reply Affidavit”).

CLECs are serving business and residential customers entirely over their own facilities, over UNE/UNE-P facilities leased from Michigan Bell, and through resale. As established in my Initial Affidavit, as of November 2002 CLECs served between 1.5 million and 1.9 million access lines (between 26% to 31% of the total access lines) in Michigan Bell's local service area. See Initial Affidavit ¶ 4. As established in my Supplemental Affidavit, by April 2003 those numbers had increased such that CLECs served between approximately 1.6 million and 2.1 million access lines (between 29% and 34% of the total access lines) in Michigan Bell's local service area. See Supplemental Affidavit ¶ 5. Similarly, Attachment D to my Supplemental Affidavit demonstrated that – with the sole exception of California – CLECs serve more access lines in Michigan Bell's local service area than they served in any state for which the Commission has granted 271 authority at the time the relevant application was filed. See Supplemental Affidavit, Attachment D.

4. Moreover, even if one completely discounts the effectively unrebutted evidence that I presented, the Michigan Public Service Commission ("MPSC") staff has reported, ***based upon survey responses it received directly from Michigan CLECs***, that as of December 31, 2002, CLECs served over 1.4 million lines in Michigan – virtually all of which are in Michigan Bell's local service area. The MPSC Staff further concluded that CLECs have captured 26% of the market in Michigan Bell's local service area, up from 20% in June 2002.²
5. Disregarding these facts, Sprint and CLECA have filed comments directed at Michigan Bell's Track A showing and "public interest" considerations in which they purport to

² See Supplemental Affidavit ¶ 8 & Attachment H at 2.

contest the actual level of competition in Michigan. As demonstrated below, those comments should be disregarded.

SPRINT COMMENTS

6. Although Sprint inexplicably asserts that “SBC had failed to demonstrate that meaningful competition exists in Michigan,” Sprint does not – because it cannot – make any attempt to actually demonstrate that Michigan Bell does not satisfy the requirements of Track A. Sprint Comments at 1-2. Instead, Sprint continues to argue that the quantity of lines reflected in my Initial Affidavit was overstated because certain UNE-P and resold lines were mistakenly attributed to Sprint.³ Sprint is wrong.
7. As I explained in my Reply Affidavit, the UNE-P and resold lines attributed to Sprint should have been reflected under United Telecom, Inc. (“United Telecom”), another competitor in Michigan that is apparently unaffiliated with Sprint. Ignoring this explanation, Sprint now asserts that United Telecom is indeed a subsidiary of Sprint but does not compete with Michigan Bell for local service. See Sprint Comments at 2. Sprint thus concludes that this “error certainly does ‘affect the total quantity of lines’” reflected in my affidavit. Id.

³ Sprint alleges that “SBC attributed to Sprint thousands of UNE-P lines, as well as over 5 percent of the resold lines of CLECs in Michigan Bell’s local service area.” Sprint Comments at 2. In fact, Attachment E to my Initial Affidavit mistakenly attributed to Sprint *** UNE-P lines and *** resold lines. Those UNE-P lines represented only *** of the approximately 919,000 total UNE-P lines reflected in my Initial Affidavit and only *** of the approximately 47,000 total resold lines reflected in my Initial Affidavit. I can only assume Sprint’s “5%” assertion was based upon a mathematical error. In any event, as explained in my Reply Affidavit and as set forth herein, these lines should have been attributed to United Telecom, Inc. Thus, my Supplemental Affidavit reflected *** UNE-P lines and *** resold lines for United Telecom, Inc. as of April 2003 – still only approximately *** for those respective categories. My Supplemental Affidavit does not attribute any UNE-P or resold lines to Sprint.

8. Putting aside the immateriality of the number of lines at issue for purposes of Michigan Bell's Track A showing, Sprint apparently remains mistaken about the identity of United Telecom. Although the name similarity is understandably confusing – in fact, as stated in my Reply Affidavit, it was the fact that Sprint has used the United Telecom name in the past that caused me to attribute these lines to Sprint in the first instance – there appears to be an unaffiliated competitor in Michigan operating under the name of United Telecom.
9. In August 2001, the MPSC granted United Telecom's application for a license to provide local service in Michigan.⁴ In testimony filed in support of that application, the President of United Telecom, Scott A. Baldwin, testified that United Telecom is a privately held corporation.⁵ Indeed, United Telecom's Articles of Incorporation filed with the State of Michigan indicate that Mr. Baldwin was the corporation's sole incorporator.⁶ United Telecom operates under a unique ACNA – "UEM." Moreover, although United Telecom does not appear to have a public website, a call I placed to its office in Burt Lake, Michigan (1-888-257-1042) confirmed that it was not affiliated with Sprint. Finally, as reflected on Attachment B to the Affidavit of Robin M. Gleason filed in WC Docket No. 03-16, United Telecom has an MPSC-approved and currently effective interconnection

⁴ See Opinion and Order, In the matter of the application of United Telecom, Inc., for a license to provide basic local exchange service throughout the state of Michigan in the zone and exchange areas served by Ameritech Michigan, Verizon North Inc., Verizon North Systems, CenturyTel of Michigan, Inc., CenturyTel of Northern Michigan, Inc., CenturyTel Midwest, Inc., and CenturyTel of the Upper Peninsula, Inc., Case No. U-12928 (MPSC Aug. 16, 2001) (Attachment A).

⁵ See Direct Testimony of Scott A. Baldwin at 5, In the matter of the Application of United Telecom, Inc., for a license to provide basic local exchange service throughout the state of Michigan in the zone and exchange areas served by Ameritech Michigan, Verizon North Inc., Verizon North Systems, CenturyTel of Michigan, Inc., CenturyTel of Northern Michigan, Inc., CenturyTel Midwest, Inc., and CenturyTel of the Upper Peninsula, Inc., Case No. U-12928 (testimony excerpts) (MPSC Apr. 24, 2001) (Attachment B).

⁶ See United Telecom, Inc. Articles of Incorporation, Article V (Attachment C).

agreement with Michigan Bell.⁷ Thus, contrary to Sprint's unsupported assertions, United Telecom is unaffiliated with Sprint and is providing service to Michigan customers using UNE-P and resold service. Neither the numbers in my Initial Affidavit nor my Supplemental Affidavit are overstated.⁸

CLECA COMMENTS

10. In its April 11, 2003 *ex parte* filed in WC Docket No. 03-16, CLECA alleged that recently-reported Michigan Bell ARMIS data established that CLECs actually served far fewer lines in Michigan than the number presented in my Initial Affidavit. See CLECA *ex parte* at 2. As I demonstrated in my Supplemental Affidavit, however, CLECA's "analysis" was patently erroneous based upon CLECA's invalid assumptions and its misuse of selective numbers from ARMIS reports. See Supplemental Affidavit ¶¶ 9-14. Indeed, although I believed it wholly unnecessary to engage in a reconciliation of the December ARMIS data to the November 2002 Track A data, I nevertheless demonstrated that when the Michigan Bell ARMIS data was accurately summarized, it was fully consistent with the Track A data I presented. Id. ¶¶ 15-16. CLECA has not presented a shred of evidence to the contrary.

⁷ See Ex Parte Presentation from Geoffrey M. Klineberg, Kellogg, Huber, Hansen, Todd & Evans, PLLC (on behalf of SBC Communications), to Marlene H. Dortch, Secretary, Federal Communications Commission, Re. Application by SBC Communications, Inc., et al, for In-Region, InterLATA Services In Michigan, WC Docket No. 03-16 (FCC filed Jan. 17, 2003) (attaching a corrected version of Attachment B to the Gleason Affidavit).

⁸ Sprint once again criticizes Michigan Bell's use of a line-to-trunk ratio to estimate the number of lines served by competitors. See Sprint Comments at 2, fn 2. As was the case when Sprint raised this argument in WC Docket No. 03-16, however, Sprint's argument is irrelevant. As I explained in my Reply Affidavit, although the line-to-trunk ratio remains a valid method for estimating the number of lines served by competitors, it is only one of two methods I presented. The evidence I presented based upon the E911 method more than adequately establishes Michigan Bell's compliance with Track A. Moreover, as noted above, the MPSC staff's assessment that competitors are serving over 1.4 million lines in Michigan and have captured a 26% market share in Michigan Bell's service area independently moots any argument Sprint might make with regard to my estimates.

11. Undeterred, CLECA now changes horses.⁹ CLECA now claims – not that Michigan Bell is *over-estimating CLEC access lines* in Michigan – but instead that Michigan Bell is *under-stating the number of Michigan Bell retail access lines* in order to make the CLEC market share in Michigan appear greater. See CLECA Comments at 19-22. Not only is CLECA's argument irrelevant, it is totally baseless. Again utilizing selective citations from various sources, CLECA runs down several rabbit trails leading it to somehow conclude there are "missing" lines. However, CLECA's suppositions are completely unsupported – and stealth allegations regarding concessions made "privately" by the MPSC Staff do nothing to advance CLECA's cause.
12. The reality is that Michigan Bell is losing access lines for a variety of reasons – not the least of which is the loss to local competitors. Moreover, it is well-documented that many customers are replacing additional landlines with a wireless phone – and some are completely replacing their landline with wireless service.¹⁰ In addition, the economic environment has contributed to the disconnection of both residential and business lines. In any event, CLECA does not present any specific evidence to controvert the Michigan Bell retail access line counts presented in my affidavits.
13. Similarly, CLECA's complaint regarding an alleged oral representation made by SBC representatives to the Commission that CLECs in Michigan have achieved a 35% market share is irrelevant. See CLECA Comments at 19. Although I am not familiar with whether any such representation was made, it is difficult to understand CLECA's outrage.

⁹ Apparently recognizing the irrelevance of a market share analysis to Track A compliance, CLECA presents its new arguments under the "public interest" rubric.

¹⁰ According to the Wireline Competition Bureau, wireless subscribers in Michigan increased by approximately 1 million during the two-year period between December 2000 and December 2002. See Ind. Anal. Div., FCC, Local Telephone Competition: Status as of December 31, 2002, Table 13 (June 2003).

The fact is, Michigan Bell estimates that as of April 2003 CLECs serve between 29% and 34% of the lines in its service territory. Thus, it would frankly strike me as quite unexceptional if a 35% estimate was discussed at some point. In any event, this certainly does not call into question any data I have presented in support of Michigan Bell's Track A showing or whether the grant of 271 authority is in the public interest.

CONCLUSION

14. No party has directly challenged Michigan Bell's compliance with Track A. Although certain commenters raise subsidiary issues, nothing presented changes the unavoidable conclusion reached in my Initial Affidavit and Supplemental Affidavit: that the market in Michigan Bell's local service territory is irreversibly open to competition and that competition is thriving. Neither has any party raised any material "public interest" concerns based upon erroneous allegations that Michigan Bell has overstated CLEC market share within its service territory.
15. Pursuant to Part II. E. of the Consent Decree entered into between SBC Communications Inc. and the Federal Communications Commission, released on May 28, 2002, see Order, In re SBC Communications, Inc., 17 FCC Rcd 10780 (2002), I hereby affirm that I have (1) received the training SBC is obligated to provide to all SBC FCC Representatives; (2) reviewed and understand the SBC Compliance Guidelines; (3) signed an acknowledgment of my training and review and understanding of the Guidelines; and (4) complied with the requirements of the SBC Compliance Guidelines.
16. This concludes my affidavit.

COUNTY OF COOK)
)
STATE OF ILLINOIS)

I state under penalty of perjury that the foregoing is true and correct.

Executed on July 15, 2003.

Deborah O. Heritage
Deborah O. Heritage

Subscribed and sworn to before me on this 15 day of July 2003.

Edith Smith
Notary Public



Heritage Supplemental Reply Affidavit – Attachment A

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
UNITED TELECOM, INC., for a license to)
provide basic local exchange service throughout)
the state of Michigan in the zone and exchange)
areas served by Ameritech Michigan, Verizon)
North Inc., Verizon North Systems, CenturyTel of)
Michigan, Inc., CenturyTel of Northern Michigan,)
Inc., CenturyTel Midwest, Inc., and CenturyTel of)
the Upper Peninsula, Inc.)
_____)

Case No. U-12928

At the August 16, 2001 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Laura Chappelle, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

OPINION AND ORDER

On April 24, 2001, United Telecom, Inc., filed an application, pursuant to the Michigan Telecommunications Act (MTA), MCL 484.2101 et seq.; MSA 22.1469(101) et seq., for a license to provide basic local exchange service in all exchanges currently served by Ameritech Michigan, Verizon North Inc., Contel of the South, Inc., d/b/a Verizon North Systems, CenturyTel of Michigan, Inc., CenturyTel of Northern Michigan, Inc., CenturyTel Midwest, Inc., and CenturyTel of the Upper Peninsula, Inc.

At a hearing on June 21, 2001, United Telecom presented the testimony and exhibits of Scott

Baldwin, its President. The testimony of Margaret VanHaften of the Competitive Services Section of the Commission's Communications Division was also admitted into the record. Ms. VanHaften indicated that if the Commission grants the application, it should acknowledge certain regulatory requirements specified in the MTA. At the close of the hearing, the parties waived compliance with the provisions of Section 81 of the Michigan Administrative Procedures Act, MCL 24.281; MSA 3.560(181).

After a review of the application and testimony, the Commission finds that approval of the application is in the public interest. On numerous occasions, the Commission has found that competition can be advantageous to the citizens of this state. Approval of the request for a license to provide basic local exchange service will expand the opportunities for competition. Accordingly, the application should be approved. The grant of a license is conditioned on full compliance with the provisions of the MTA, as well as the anti-slamming procedures adopted in Case No. U-11900 and the number reclamation process adopted in Case No. U-12703. Failure to comply fully may result in revocation of the license or other penalties. Further, the grant of a license is conditioned upon the provision of service to customers within a reasonable time. Failure to do so may result in revocation of the license. Finally, the Commission notes that any numbers obtained by the applicant are a public resource and are not owned by the applicant. Consequently, if the applicant fails to provide service or goes out of business, any numbers assigned to it are subject to reclamation.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1991 PA 179, as amended, MCL 484.2101 et seq.;

MSA 22.1469(101) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101)

et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACCS,
R 460.17101 et seq.

b. United Telecom possesses sufficient technical, financial, and managerial resources and abilities to provide basic local exchange service to all residential and commercial customers within the geographic area of the license and intends to provide service within one year from the date of this order.

c. Granting United Telecom a license to provide basic local exchange service in the requested areas will not be contrary to the public interest.

THEREFORE, IT IS ORDERED that:

A. United Telecom, Inc., is granted a license to provide basic local exchange service in all exchange currently served by Ameritech Michigan, Verizon North Inc., Contel of the South, Inc., d/b/a Verizon North Systems, CenturyTel of Michigan, Inc., CenturyTel of Northern Michigan, Inc., CenturyTel Midwest, Inc., and CenturyTel of the Upper Peninsula, Inc.

B. United Telecom, Inc., shall provide basic local exchange service in accordance with the regulatory requirements specified in the Michigan Telecommunications Act, MCL 484.2101 et seq.; MSA 22.1469(101) et seq., including the number portability provisions of Section 358, the anti-slamming procedures adopted in Case No. U-11900, and the number reclamation process adopted in Case No. U-12703.

C. Before commencing basic local exchange service, United Telecom, Inc., shall submit its tariff reflecting the services that it will offer and identifying the exchanges in which it will offer service.

The Commission reserves jurisdiction and may issue further orders as necessary.